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AUGUST 14, 1967

FISCAL YEAR EXPORT STORY

SOVIET UNIO
FERTILIZER BOOM
PRIVATE FARMING



FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

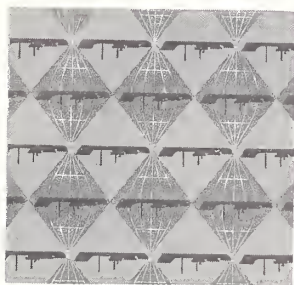
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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

AUGUST 14, 1967

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Fourth Record Year in a Row for Agricultural Exports

Gains in cotton and tobacco exports, commercial sales for dollars, and shipments to Japan help raise fiscal year 1966-67 total to \$6.8 billion.

By JOSEPH R. CORLEY
Trade Statistics and Analysis Branch
Economic Research Service

For the fourth consecutive fiscal year, U.S. agricultural exports reached a new high in 1966-67. They totaled \$6.8 billion, about \$90 million more than in 1965-66.

Cotton and tobacco exports rose sharply, more than offsetting declines in feedgrains and animal products. Of the exports that fell below the 1965-66 mark, feedgrains declined the most in value, dairy products showed the greatest percentage decline.

Commercial sales for dollars approaching \$5.4 billion in 1966-67 are expected to exceed those of the previous year by nearly 6 percent. This increase outweighs the estimated decline of \$100 million to \$200 million in exports under government-financed programs.

Although the rate of agricultural export growth slowed in 1966-67—1 percent compared with 10 percent in 1965-66—the United States continued to be the principal factor in world agricultural trade. It contributed an estimated one-fifth of the world's agricultural exports—the same proportion as in 1965-66.

Agricultural exports made up slightly less than one-fourth (22 percent) of total U.S. merchandise exports in 1966-67, but accounted for over half of the year's favorable trade balance (value of exports minus the value of imports). Total U.S. exports during the year amounted to \$30.9 billion, 7 percent more than in 1965-66. U.S. agriculture's favorable trade balance was \$2.3 billion.

Chief customer countries

U.S. agricultural exports to Japan, Western Europe, and Canada—the three main dollar markets for these commodities—reflected the economic climate in those areas in 1966-67. Exports to Japan, where economic growth continued, reached \$939 million, a new record 3 percent greater than the previous record of the year before. Exports to Western Europe, where economic activity leveled off, were below those of the preceding year. Canada provided a large market for exports of fruits, vegetables, and cotton.

Exports to European Economic Community countries were down in 1966-67. The rise in exports to France and West Germany was not large enough to counterbalance the reduction in exports to the Netherlands and Italy.

U.S. agricultural exports to South Vietnam are expected to reach \$185 million in 1966-67, \$82 million more than the year before.

Smaller exports to India, the United Arab Republic, and other less-developed countries lowered the total value of exports under government-financed programs from those of 1965-66. Exports to India were down an estimated 8 percent, as a result of a reduction in wheat exports.

Cotton and tobacco score big gains

U.S. cotton exports rose to \$542 million in fiscal 1966-67, 41 percent more than those of the previous year. The increase was the result of record high demand in foreign free world countries, many of which needed to replenish stocks. Based on data for the first 11 months of 1966-67, over half the exports went to the five largest markets—Japan, Taiwan, Republic of Korea, Canada, and Italy. Demand was down somewhat in Western European countries other than Italy because of the slower rate of activity in the textile industry.

Exports of unmanufactured tobacco rose to \$550 million, 39 percent higher than those of 1965-66. Flue-cured tobacco exports increased over two-fifths, accounting for 81 percent of the total compared with 78 percent the preceding year. One factor that helped boost 1966-67 tobacco exports was the United Nations sanctions against Rhodesian tobacco. Rhodesia is usually one of the principal sources of tobacco in the world market. At the same time, the U.S. export payment program for tobacco and the improved quality of American leaf has made U.S. tobacco more attractive to foreign buyers.

Feedgrains and wheat decline

Grains and preparations, which make up the largest share of U.S. agricultural exports, accounted for 42 percent of the total in 1966-67 compared with 46 percent in 1965-66. They amounted to \$2.9 billion in 1966-67, \$3.1 billion in 1965-66.

Feedgrain exports dropped to \$1,151 million, 14 percent below the record \$1,346 million in fiscal 1965-66. Smaller exports of corn, barley, and oats accounted for the decline; grain sorghum exports at \$356 million were 21 percent higher than in the previous year. Reasons for the reduced exports: Slightly lower domestic production in 1966, a smaller carryover from 1965, and a near record domestic consumption level. In addition, the quantity of feedgrains available for export from competing countries was up.

Although total U.S. exports of wheat and wheat flour decreased 6 percent to \$1,312 million in 1966-67, there was no decrease in dollar wheat exports. Commercial sales increased, while there was a decrease in wheat exported under various government programs. Wheat exports to India during July-May showed the greatest decline, dropping 41 percent to \$240 million from \$404 million in 1965-66; this decline was partly offset by increased exports of other grains, notably sorghums. Declines also occurred in wheat exports to Yugoslavia, Turkey, Lebanon, Iran, and the Netherlands. Most of the shipments to India, Yugoslavia, and Turkey were government financed. Declining supplies of U.S. wheat available for export during the second half of fiscal 1966-67 were the main reason for lower total exports.

Rice exports in 1966-67 improved considerably, reaching a record \$309 million—39 percent more than in the previous year. July-May data show that South Vietnam received more than one-third of the total; exports to this largest market for U.S. rice increased 138 percent. Exports to India and the EEC countries were each about \$8 million higher than in 1965-66.

Oilseeds and vegetables up slightly

U.S. exports of *oilseeds and oilseed products* rose 2 percent in 1966-67, reaching \$1,249 million.

Soybean exports rose 4 percent, to \$767 million; nearly one-fourth went to Japan, which continued to be the largest U.S. soybean customer. In addition, protein meal exports were up 9 percent, reaching \$239 million in 1966-67; Western Europe was the major market for protein meal.

Cottonseed and soybean oil exports dropped to \$156 million, 18 percent lower than in 1965-66. Soybean oil exports, the larger of the two, increased in the later months of fiscal 1966-67 as a result of slightly lower prices, reduced supplies of substitutable oils, and larger government-financed exports. During the last 11 months of 1966-67, cottonseed oil supplies were at the lowest level since 1950-51, about one-third below year-earlier supplies.

Exports of *vegetables and preparations* at \$172 million were 1 percent higher than those of the previous year. Canned vegetables declined slightly, the result of lower exports of asparagus and tomato preparations. Fresh vege-

table exports, most of which are lettuce, also declined. Exports of dry beans and peas were substantially higher.

Animal products and fruits down

U.S. exports of *animals and animal products* totaled \$716 million, 8 percent less than the year before. Dairy products accounted for most of the decline, but exports of fats, oils, greases, and poultry products were down also.

Dairy products were nearly one-third lower in 1966-67 than the year before. Most of the decline resulted from a 50-percent reduction in nonfat dry milk exports, for which reduced supplies for export during the first half of 1966-67 were responsible.

Exports of hides and skins continued to increase, surpassing by 6 percent the record of \$139 million reached in 1965-66. Favorable prices for hides and skins encouraged increased exports over 1965-66.

Meat and meat product exports reached \$119 million, 3 percent above the previous year. The rise in pork exports was more than sufficient to offset the small decrease in beef and veal exports.

Exports of *fruits and preparations* declined to \$320 million from \$327 the year earlier. Much of this 2-percent decline resulted from a reduction in value rather than volume. Volume of canned fruits increased, but value was slightly below that of 1965-66. Exports of fresh grapes, lemons, and limes decreased 6 percent from those of the year before.

Grain Outlook for Spain: Record Wheat Crop, More Feedgrains

Spain is expecting a bumper 1967-68 wheat crop of 5,345,000 metric tons, according to a July estimate of the National Wheat Service. If it is obtained, this crop will be over 10 percent greater than the 1966-67 crop and an alltime high.

By the last week of July, harvesting was underway in the southern half of Spain and in the warmer northern provinces. The grain was ripening normally in the warmer areas, and no conditions that might hinder ripening had been reported from the others. Above-average temperatures in August could still adversely affect the set of grain in late-harvest areas.

The 1967-68 crop will be harvested from an estimated 10.5 million acres, 4.4 percent more than in 1966-67. The increase results mainly from the planting of 370,650 acres in 1966 that could not be sown the previous fall because of bad weather.

Stocks of wheat held by the National Wheat Service as of last May 31—the end of the 1966-67 marketing year—totaled 1,714,860 metric tons, 10,000 tons less than ending stocks in 1966. However, flour mills were holding 303,560 metric tons of grain on May 31. In view of the prospects of a record crop this year, it is reasonable to expect that ending stocks in May 1968 will exceed 1,800,000 tons—even with an estimated 200,000-ton increase in exports.

Human consumption accounted for only 3,806,000 metric tons of the 1966-67 wheat crop and is expected to take even less this year. According to Spain's Minister of Agriculture, human consumption of wheat has remained stable at an average 242.5 pounds per person a year in the 1960-66 period. It once averaged 296 pounds per person a year.

Consumption of low-grade denatured wheat for animal feeding in 1966-67—at 100,000 metric tons—was below expectations. It is expected that some 300,000 tons of wheat will be used for feed in 1967-68.

Wheat imports in 1966-67 amounted to only 13,000 metric tons. None are anticipated for 1967-68.

The Spanish Government is now working to bring about a major reduction in wheat acreage and an increase in the acreage of feedgrains. The objective of the forthcoming Second Development Plan, to extend over the 1968-71 period, is to reduce wheat acreage by 988,000 to 1,235,000 acres, while reaping an annual crop of 4,400,00 metric tons—an amount that would appear to be enough to meet home demand.

Acreage taken out of wheat will be devoted chiefly to barley, oats, and corn. Spain hopes to become self-sufficient in barley and oats by 1971.

Total production of corn, oats, and barley is expected to be higher in 1967-68 than in 1966-67—4,072,000 metric tons compared with 3,764,000. Acreage of all three increased in 1967-68, the 15-percent increase for barley being by far the greatest.

Although foreign trade statistics for the complete 1966-67 marketing year are not available, it is estimated that Spain imported over 2,900,000 metric tons of feedgrains (exclusive of sorghums) in that period, compared with 2,600,000 tons in 1965-66. Demand for feedgrains is increasing, but it is anticipated that feedgrain imports in 1967-68 will be below those of 1966-67, mainly because of expected higher domestic production.

—Based on dispatch from DALE K. VINING
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Argentina's New Rural Rent Law Foreshadows Improved Land Use

By MARTIN G. SCHUBKEGEL
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Argentina has enacted a rural rent law that provides important changes in the land tenure system and offers the possibility of improvement in land utilization. By the end of 1968, all rental contracts automatically extended by previous legislation will have ceased to be valid. The lessee or sharecropper must either purchase the farm he now operates, negotiate a new contract, or leave the land—in which case state-owned land will be granted to him.

If the new law—passed in April—succeeds in restoring confidence in land tenure, it will indirectly affect all tenants and sharecroppers. The number, though not officially recorded, is estimated to be as high as 200,000.

The practice of contract extensions had created an aura of uncertainty for both lessee and lessor. The fear of new legislation had prevented maximum utilization of lands by either. A landlord saw little gain in making property improvements on holdings if he could not know when he would control them, and if successful in recovering the land, he was unwilling to contract again. Neither would a lessee invest in capital improvements.

The possibility of sudden changes in land tenure has also tended to discourage long-range planning, which in Argentina takes on special meaning in terms of production practices. Crops and livestock are complementary enterprises on a single farm. The maintenance of soil fertility depends heavily on the rotation of tracts among crops and between crops and livestock, inasmuch as the application of chemical fertilizers is now minimal. The rotational cycle, for best results, takes as many as 10 years.

What the new law provides

Purchases. A lessee desiring to purchase the land he farms makes a price offer. Within a specified time the owner must accept, or propose new terms. If he rejects a counter-offer by the lessee, he assumes possession. By mutual agreement, however, the case may be referred to a judicial authority, who will fix a price—based on norms for the zone—which is binding for both parties.

Obligations. To discourage land speculation the property recovered by the owner must be exploited within 120 days and cannot be sold, rented, or transferred for 5 years following contract expiration, except to the former lessee. Land bought by a lessee must be exploited for 5 years and cannot be offered during that time.

New contracts. At the request of either the owner or former lessee, disagreements over the terms of a new contract will be settled by a judicial authority. If the owner rejects the terms set by law, he is still obligated to farm the land and to rent or sell only to the former lessee for the 5-year period. He is relieved of these obligations if the former lessee rejects the terms, or if "adequate compensation" is offered and accepted.

Terms of sale. The down payment must be at least 10 percent, the rest to be financed by official banks (up to 60 percent) and the seller (at least 30 percent, payable

in not less than 3 years at Bank of the Nation rates).

Tax benefits. The seller receives an income tax deduction of 10 percent of the sales value and exemptions from capital gains tax and taxes on interest. The buyer's profits from exploitation are tax exempt for 5 years.

Displaced lessees. Evicted persons who were deriving their sole income from farming may apply for grants of state-owned land to be awarded within 1 year.

History of the rental controversy

Rural rent laws have long been a source of political controversy in Argentina. In 1942 rental contracts were frozen. This was generally accepted as necessary to bolster depressed rural income during the war, when farm prices reached new lows with the loss of foreign markets. The situation had improved somewhat by 1948, but rapid inflation and steep real estate prices prompted the government to continue protecting the lessee. Credits for land purchases were made available, and—to afford the lessee more time to accumulate capital—most contracts were automatically extended.

By the late 1950's it became clear that steps had to be taken to discard the trappings of emergency legislation. The political compromise then reached called for progressive unfreezing of contracts but for an extension if the landlord rejected a tenant's offer to buy at a legally determined fair price. Tenants refusing to buy could be evicted upon the contract's expiration.

In recent years, there has been agreement on the need not only for the curtailment of contract extensions but for an integral package of agrarian reform. This would include various measures to supplement the redistribution of opportunities for land use—such as refinements in credit, market, and educational services, and in tax institutions. To give time for studying alternatives, legislation extending contracts was again passed in June 1966; but the National Agrarian Council was directed to present an agrarian reform bill not less than a year later.

By and large, agricultural interests have received the new law favorably. Yet only some 11,000 lessees with contracts dating back before 1948 have so far indicated to the Secretary of Agriculture a desire to buy the farms they now operate. A good many landlords no doubt will capitalize on the opportunity to sell, particularly those lacking the capital to invest in the improvements and inputs necessary to put the land to effective use. Some may find the sale of present holdings and the purchase of others more advantageous. The law permits a compromise to be offered the lessee in such a case.

As previous Argentine governments have recognized, the mere conversion of tenant-operators into owner-operators does not lead automatically to real improvements in farm productivity. If it did, aggregate production would have responded to the shifts in land ownership in 1960-65, when (by official figures) the amount of land held by proprietors increased from 59 percent to 75 percent. But the elimination of rigidities in the land tenure system may be regarded as a step toward greater productivity, if followed by other structural reforms.

Farms Reap Benefits of Soviet Fertilizer Boom

Mineral fertilizer—a key element in the development of efficient farms—is currently in a production boom in the Soviet Union. Fertilizer usage is increasing so rapidly that the output of several major crops will be increased, despite long-term problems of poor quality fertilizer, inefficient handling, and inadequate distribution. But these difficulties are not preventing sizable gains.

Soviet figures put annual gross output of mineral fertilizer in the USSR in 1965 at more than double that of 1960. Output is expected to double once more between 1965 and 1970. For the first 6 months of 1967 production totaled 19.8 million tons—up 15 percent from that period last year and ahead of the planned pace. Plans are also set for a 35-percent increase in average nutrient content. (It seems more probable, however, that the output plan will be met than the plan for increasing nutrient content.)

Deliveries of fertilizer to agriculture have increased at about the same rate as output, with a small percentage moving into export, largely to Eastern Europe. Agriculture received 11.4 million tons in 1960; the allotment was up to 27.1 million by 1965—87 percent of output.

The fertilizer industry—whose deliveries of 30.5 million tons in 1966 exceeded the plan by a million—has already pledged to deliver 700,000 tons above this year's plan. Even if the industry's 1967 production plan is not exceeded, deliveries in excess of plan are a definite possibility this year.

Distribution by Republics

Allocations of mineral fertilizer differ considerably by area and crop. Heavier rates of fertilization have been applied in Central Asia, largely because of the cotton grown there, and the Baltic Republics than in other regions. Byelorussia and the Transcaucasus Republics also have received moderately heavy applications. The remainder of European Russia, especially the nonchernozem zone (less fertile, nonblack soil areas of north European Russia), has received some fertilizer for its sugarbeets; but only negligible quantities have been applied east of the Volga.

Three industrial crops—cotton, sugarbeets, and fiber flax—traditionally have received heavy allocations, but recently large quantities of mineral fertilizer have been applied to winter grains. According to the Soviets, 20-25 percent of their grain area is fertilized. Applying this percentage to 1965 and 1966 grain areas would make about 62-74 million acres under fertilizer in those years. Some 44 million acres of winter grains were fertilized in 1966 and 34 million in 1965.

Average fertilizer applications on spring-sown grains thus far have been too small to preclude any generalizations. Even in 1966 the average mineral fertilizer application on spring grains probably did not exceed 6 pounds of nutrients per acre. On certain priority crops, such as rice, application rates have been much higher.

Less is known about fertilizer use on feed crops than on the others. Data on applications are available only for corn, and no distinction is made between corn for grain and corn for silage and other uses. Gross allocations to corn have not increased in recent years.

A considerable residual of fertilizer purportedly applied on crops remains unaccounted for. Part of this goes to



miscellaneous technical crops, to sown feed crops, and to pasture and meadows. Part also may be explained as wastage or losses, and significant amounts probably are applied on orchards, vineyards, and subtropical crops.

Between 1965 and 1970 grain is scheduled to receive almost 20 million tons of the total increase in annual deliveries of 28 million tons, although modest increases also have been made in allocations to cotton, fiber flax, and potatoes. More fertilizer will be used on vegetables, but applications on sugarbeets are scheduled to level off. Substantial amounts are allocated to meadows and pasture and to orchards and vineyards. Some other feed and technical crops probably will receive increased amounts.

Problems with handling and distribution

Ample supplies of fertilizer will benefit most Soviet farmers, even though problems of low quality fertilizer, shortages of storage space, incorrect handling and utilization procedures, and shortages of equipment for application still persist. One Soviet estimate placed losses in handling at up to 20 percent of total fertilizer wastage.

Delivery targets are generally fulfilled and often exceeded even though the nitrogen plan regularly is not met. Farms were shorted on nitrogen fertilizers by 1.8 million tons in 1965, limiting topdressing of winter grains in 1965 to one-half the area in the Ukraine and one-fourth the area in the RSFSR.

Farm fertilizer storage is also inadequate. Needs were met by only 44 percent in 1964, according to January 1, 1965, data of the Ministry of Agriculture and Republic plan organizations. Farms had capacity for 3.5 million tons when facilities for 7.9 million were needed. In the RSFSR, collective farms had only a little more than 10 percent of needed facilities and state farms less than 5 percent.

Rail transportation—which moves about 95 percent of the fertilizer shipped from plants to farms—has been a bottleneck to deliveries because of slow loading.

Spreading equipment needed

Farms are frequently short on machinery to spread the fertilizer. Estimates show that in 1965 farms had only about 25 percent of the needed machinery. Requests for mineral fertilizer spreaders were met by 37 percent, for manure spreaders by 36 percent, and for fertilizer drills by 74 percent. A great deal of the fertilizer is also spread by airplane.

As a first step in improving utilization, the Soviet Government is conducting soil tests and experiments to establish amounts of recommended crop dosages. So far 193 zonal laboratories have been set up. Another move was

made by the USSR Committee of Peoples' Control. This group was instructed to carry out in January-June 1967 a mass inspection of output. It was to work on improving the quality of fertilizers and other agricultural chemicals and investigate storage problems and the effective use of fertilizer on farms.

Problems of low efficiency and waste have been traditional characteristics of Soviet agriculture, but they have become much more acute as the supply of fertilizer flowing into agriculture has increased rapidly. They present a challenge of great significance to the Soviet Union. Increasing fertilizer application at the present rapid pace will have an important impact upon production, but this impact can be greatly enhanced if improvements can be made in handling and use, as well as in the quality of the fertilizer itself.

Private Plot Farming Keeps Foothold in Soviet Agriculture

While collective farms and state farms most accurately characterize the Soviet system of agriculture, tenaciously maintained private plots—the last remnants of capitalism—are still putting out a significant portion of the country's agricultural products. Official Soviet policy is eventually to eliminate all private farming that is commercially important, but the attitude of present authorities and the superior yields of some of these plots compared to collective and state farms are a good sign that personal holdings will keep their place in the Soviet system for some time to come.

The value of agricultural production from private plots now is as great or nearly as great as it was a decade ago. However, because of growth of agricultural production in the socialized sector, private farming's share of total output has declined.

Private plot output in 1958 accounted for nearly 40 percent of total production; in 1966 it was less than 30 percent, probably for the first time. (These are Soviet percentages, which overstate the private plots' contribution to gross agricultural output since an important portion of feed for private livestock comes from the socialized sector.)

The importance of private plot farming for commercial sales has also gone down. Privately produced commodities accounted for about 17 percent of total agricultural marketing in 1957-59 but had dropped to 12 percent by 1964-66. However, this again was more a function of the growth in marketing from the socialized sector rather than a decline in marketings from the private sector. With the exception of the marketing of milk and potatoes, absolute volume of commercial sales from private production has been comparatively stable.

Area in private plots

In 1950, there were 17.8 million acres in private plots. Despite what was termed "unwarranted restriction" imposed on private plots under Khrushchev, there was no radical liquidation of private plot land. There were 2 years of squeeze—between 1959 and 1960—when about 1.2 million acres of private plot area was trimmed (about 7 percent of the area) and between 1963 and 1964 with another 1.2 million. Sown private acreage in 1965—the latest year of available data—was 15.8 million acres, slightly more than 3 percent of the sown area.

Even though the liquidations under Khrushchev were not extensive the peasantry most likely resented them bitterly since these people depend upon plot farming for family food supplies. Within 3 weeks of Khrushchev's dismissal, his actions against plot farming were condemned by the new regime and the peasantry was reassured, probably a good indication that there had been substantial rural unrest.

The Soviet Government now is encouraging maximum private plot output within the limits set by private plot size and livestock holdings as determined by the collective farm statutes of the 1930's. However, local party authorities, government officials, and collective and state farm managers are not all in agreement with the official policy, and some extra-legal restrictions are assumed to be applied to private farming in some regions of the Soviet Union.

Private farms which are now being cultivated concentrate on a few high-yielding commodities. Farmers have obtained superior yields compared to those in the collectivized sector for potatoes, vegetables, and fruits, especially grapes. Plots also appear superior in obtaining higher meat production in terms of number of animals held. However, milk and egg yields per animal in the socialized farms are substantially higher than those on private plots.

Primitive farming techniques

Private plots are cultivated by extremely primitive means. Plowing in most cases, is done with a horse and walking plow, and practically all additional cultivation is done by hand. Only occasional fortunate villages will have initial plowing done by the collective tractor. Methods of managing plot livestock are equally rudimentary; cattle, sheep, and goats must be staked out to graze or have someone with them all day. As a result labor productivity on the plot is extremely low. Nonetheless, people who work private farms are employed in the best possible way since their labor potential would otherwise be wasted. Generally these include collective farm workers who labor on their plots in spare time, women who do not or cannot work collective farms, young people, and pensioners.

Phasing out in the future

Despite good productivity, even during Khrushchev's drive to reduce their numbers, private plots are destined

for eventual liquidation. This phasing out will probably begin with elimination of commercial farming by expanding collective farm output so that private production is no longer required to meet urban requirements. Thereafter, farming and livestock raising on a private basis would be reduced to kitchen garden status.

It seems unlikely, for a number of reasons, that the government's long-term goal will be realized in the foreseeable future. The labor force involved has no alternative employment, production levels of some commodities are still good, and rural communities lack a state distribution system to supply the food requirements that are now met by the private plots.



Above, women sell produce to American Embassy personnel at market where both collective and private farmers sell goods; below, woman wraps onions; left, country cottage with kitchen garden.



New Book Describes Rockefeller Foundation Work in Mexico

Three top agricultural scientists from the United States, emissaries for the Rockefeller Foundation, went to Mexico in the 1940's to explore and implement ways in which needy Mexicans could be fed.

The three scientists—E. C. Stakman, Richard Bradfield, and Paul C. Mangelsdorf—have now jointly written a book called "Campaigns against Hunger" which tells what happened during Mexico's agricultural revolution and their part in it. While it is Mexico's story, implications for other parts of the less-developed world are clearly evident. The authors add that concentration and continuity of effort by competent, long-term personnel are essential.

In their own words, the authors' goal in Mexico was "to find ways to increase food supplies as quickly and directly as possible by means of the genetic and cultural improvement of the most important food and feed crops." They made a survey, drew up an initial plan, and launched a highly successful campaign against hunger. The Rockefeller Foundation's funds were made available as part of its long-term purpose "to promote the well-being of mankind throughout the world."

Not only did the program the three worked on develop varieties of corn, wheat, and beans that yielded more productivity; it greatly improved the utilization of the critical factors of water and soil. It also introduced such new crops as soybeans and sorghums, which promise to become an

important part of Mexico's economy. The central success of the program, however, according to the authors, was the attention given to developing human resources which put Mexico on the way to feeding itself.

The campaign in Mexico was carried out with the cooperation of a handful of farsighted Mexican Government officials who asked for technical assistance when it was needed to boost an agrarian reform already underway. Their timely vision has resulted in food production now 300 percent what it was in 1940 to feed a population now 70 percent as great.

The authors describe Mexico's agriculture as it was in 1943, its limits and potential, and how and why the Rockefeller Foundation became involved in its destiny. The chapters follow the progress of key commodities and the application of soil and plant technology that in the end made the land bountiful. A few chapters are devoted to other hunger-ridden countries and how Mexico's programs have been or could be adapted to them.

An effort has been made to describe the Foundation's accomplishments in Mexico simply, and, for the most part, nontechnically, and a number of before-and-after photographs illustrate the progress.

Copies of "Campaigns against Hunger" may be obtained from The Belknap Press of Harvard University Press, Cambridge, Massachusetts.

Soybean Council Helped Tap Big European Market for U.S. Soybeans

BY R. F. COLLINS

Soybean Council of America, Inc.

Fantastic growth has been the story for U.S. soybean exports since the United States got into the soybean market development business 11 years ago. While salesmanship by itself is hardly responsible for the 190-million bushel gain in soybean exports during this time, it has played a big role in bringing the foreign buyer and U.S. exporter together.

Here are some of the changes that the Soybean Council of America—FAS cooperator in soybean market development—has been a party to in the important European market.

Expansion in the European economy, with increasing population and growing food and feed requirements, started the boom in purchases of U.S. soybeans—a product that 50 years ago was a novelty in the United States.

During the infant years of the industry, soybeans were grown here mainly for hay, forage, and soil building purposes, with exports in any form unheard of. By the beginning of World War II, acreage was still about

evenly divided between soybeans for beans and for hay.

Demand begins in war years

But with the war came a tremendous demand for agricultural commodities, particularly soybeans and other oil-bearing seeds. U.S. farmers, acquainted with soybeans through their limited output of earlier years, moved rapidly to meet the demand.

At the conclusion of the war, the devastated countries of Europe found themselves critically short of fats and oils. To help Europe rebuild, the U.S. Government did its utmost to supply fats and oils and other necessities.

As the economies of individual European countries slowly began to improve, opportunities for actual market promotion presented themselves. Consumers' needs for vegetable oil continued to grow, and— even more important—Europe began a tremendous buildup in poultry and livestock numbers. Livestock producers looking for reliable sources of protein supplements found U.S. soybean meal the answer to their requirements for a top-quality product

at attractive prices; and this was a product in steady supply and with minimum delivery problems.

The U.S. processing industry made information available on the use of soybean meal as a livestock feeding supplement. Government sources and U.S. market promotion agencies added to the flow of information.

Program begun in 1956

Responding to this increased buying interest from abroad, the U.S. soybean industry established the Soybean Council of America in 1956. With assistance from FAS, the Council set up offices in various European countries. Aim of the new program was to increase world demand for U.S. soybeans and products.

In subsequent years, even the most optimistic export expectations were exceeded. U.S. exports of soybeans and their products rose 200 percent between 1956-57 and 1965-66, making the United States the world's largest single exporter of oilseeds and making soybeans our No. 2 agricultural dollar export behind feedgrain. In 1965-66, U.S. exports of 251 mil-



Left (l. to r.) Hans Kwak, manager of a German mixed feed plant, describes his operation to Glenn Pogeler, president of the Soybean Council; Dr. Paul G. Minneman, U.S. Agricultural Attaché, Bonn; and Dr. Karl W. Fangauf, Council Director in Germany. Below, visitors to German Green Week Exhibition go after samples of French fried potatoes cooked in hydrogenated soybean oil.



lion bushels of soybeans, 923 million pounds of soybean oil, and 2.6 million short tons of cakes and meal accounted for about 90 percent of world soybean trade.

Spain an outstanding example

Although Japan is now our largest single market, Europe continues to increase its purchases of U.S. soybeans, in 1966 taking about 56 percent of our soybean exports, 80 percent of the soybean meal, and 11 percent of the oil. West Germany, France, Italy, and the Netherlands are among the European countries accounting for these sales, but one of the most outstanding examples of the day is Spain.

Despite its position as the world's largest exporter of olive oil, Spain was convinced to use some U.S. soybean oil. Introduced to soybean oil when their country was still a P.L. 480 market, Spanish processors found it advantageous to blend the low-cost soybean oil with the higher priced olive oil. This reduced the price to consumers of cooking oil and freed more olive oil for export.

At first, the soybean oil was blended with a low-quality olive oil that resulted in a rancid product. The Council provided technical service to the processors in refining and blending of the oils and in building bulk-handling facilities.

As Spain's economy began to expand rapidly, another use for U.S. soybeans arose—soybean meal as an ingredient in animal feed was introduced by the Council. An immediate response prompted the Council in 1960 to begin additional work to tap the new market. It started holding livestock feeding seminars, designing trade fair exhibits on the use of meal, and distributing reams of material on livestock nutrition and feeding.

Still another change took place in the market in 1964: with its crushing industry rapidly developing, Spain turned to importing U.S. soybeans. This prompted an appropriate change in tactics of the Council; it has since helped Spain establish an oil quality control lab, brought study teams to the United States, and undertaken promotions aimed at selling the beans as well as U.S. oil and meal.

As a result of its flexibility in a changing market situation, the Council has helped to continue the sharp upward trend in Spanish imports of U.S. soybeans. From none in 1956,

Spain's purchases of U.S. soybeans rose to 22 million bushels in 1966, and they are expected to go even higher in 1967.

Similar programs have paid off in the other European markets for U.S. soybeans. In addition to large purchases of the meal, West Germany imported 59 million bushels of U.S. soybeans in 1966 while the Netherlands bought 15 million. And France—whose livestock feeding industry has grown tremendously over the years—bought 465,000 short tons of meal.

With soybean output continuing upward, the United States expects to expand further its overseas business in this valuable oilseed. A record 41.0 million acres have been devoted to soybeans this year, or some 10 per-

cent more than in the preceding year. Normal yields and continuing good weather could turn this into a billion-bushel crop, compared with 931 million in 1966.

Foreign demand for this crop is expected to expand even more: It has been projected that by 1970, 9.6 million tons of soybeans and 3.7 million tons of soybean cake and meal may move into trade channels, with most of this coming from the United States. But the United States still must rise to the challenge of market development—and to the competition from other oilseed exporters—if these projections are to be realized. This task will, indeed, be a monumental one, with the European market of prime importance and consideration.

Market Development Pays Off in Skyrocketing U.S. Cattle Shipments to Peru and Venezuela

Business has never been better for U.S. cattlemen in the South American markets of Peru and Venezuela.

During this month and next, these two countries will be importing 4,000 head of U.S. cattle—nearly triple such imports in all of 1966. Reasons behind this dramatic rise are the countries' programs to expand and upgrade their beef and dairy herds, coupled with aggressive market development efforts by the U.S. breed associations, U.S. exporters, and FAS.

First of the shiploads—529 head of Santa Gertrudis heifers—left Houston, Texas, on July 29 for Salaverry, Peru. The same ship was to have returned to Tampa, Florida, last week to take 200 Brahman and 80 Holstein heifers to Venezuela. And it will go back to Houston, Texas, on August 28 to pick up 60 Santa Gertrudis heifers and 420 Holstein heifers for Peru.

Then, on September 10, begins the first of two record shipments—1,400 head each—of crossbred heifers to Venezuela; these will be shipped 400 miles up the Orinoco River to the State of Bolívar.

The animals—crossbred heifers of about one-fourth Brahman and three-fourths Hereford or Angus blood—will be the first with Hereford blood ever imported by Venezuela. Included in the second shipload will be 75 bulls to be used as herd bulls for native, or "criollo," cattle.

The 2,800 head of cattle going to

Venezuela under this program are part of a 10,000-head order contracted for delivery within the next 3 years.

Behind this expanded trade are 8 years of market development programs aimed at drawing the South American cattlemen to high-quality U.S. cattle. The programs are carried out by FAS cooperators—the American Brahman Breeders Association and the Holstein-Friesian Association—and by FAS as part of its Global Livestock Project for breeds other than Brahmans and Holstein-Friesians. Through these programs, cattle judges have been sent to South American livestock shows, classifiers have assisted ranchers in determining the quality of their animals, and buying missions to the United States have been sponsored.

The result is that South American cattlemen today recognize the superior quality of U.S. cattle and come to this country first when looking for stock to upgrade and improve their herds. So great has been the response from this part of the world, that Latin America alone takes about 80 percent of all U.S. cattle exports.

Among other cattle purchasers, a Russian team is in Canada buying Herefords and is planning to visit the United States to purchase from 150 to 200 head of Santa Gertrudis cattle. This is the second straight year that the Russians have bought at least 100 or more head of Santa Gertrudis animals from the United States.

U.S. Agricultural Trade Prepares for Busy Fall at European Fairs

Exporters and potential exporters of U.S. food and agricultural products are finalizing plans for another big season on the European trade-fair circuit.

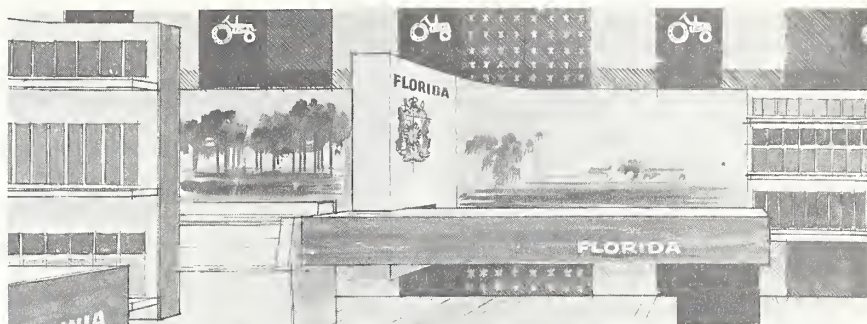
On the agenda for the next 3 months are trade fairs in Germany, Ireland, the United Kingdom, France, and Italy, plus London's semiannual Trade Center Show. Products to be exhibited range from freeze-dried mushrooms to St. George—a well-traveled Maine lobster—and their viewers, from homemakers to representatives of giant importing firms.

ANUGA the biggest

Biggest fair this fall—in fact the biggest agricultural fair anywhere at anytime—is the International Exhibition of Fine Foods and Provisions (ANUGA) at Cologne, Germany. ANUGA this year will feature the products of thousands of food manufacturers during its 9-day run (Sept. 30 - Oct. 8.) Over 100 of these manufacturers will be holding forth in the U.S. exhibit area, along with representatives of 12 States, the Institute of American Poultry Industries, the California Raisin Advisory Board, the Michigan Bean Shippers Association, and the Soybean Council of America, Inc. In addition, Trans World Airlines will sponsor an exhibit of fresh fruits and vegetables and cut flowers; and the Bureau of Commercial Fisheries, U.S. Department of Interior, will show U.S. fishery products.

The Hall of States—which was initiated as a regular fair exhibit at IKOFA in Munich last year—will feature a wide variety of U.S. foods. Poultry and poultry parts will be the main offerings of Iowa, Minnesota, and South Carolina. Virginia will emphasize fresh apples, poultry, and processed foods; Michigan, cherries and fresh apples; and Pennsylvania and Illinois, processed foods. Florida will feature its citrus juices; Mississippi, its rice; and Wisconsin, its canned vegetables, poultry, specialty meats, and cheeses.

Fitting entries from Maine will be live lobsters, including the very special one called St. George. This cantankerous lobster was such a crowd drawer at IKOFA last year that he was recruited—instead of boiled—as an official representative of Maine. Now an experienced showman, St.



Proposed display area for Hall of States, London Trade Center.

George enjoys fame as the world's most traveled lobster.

Rounding out the State exhibits will be New York's unusual display featuring computer services to help European food buyers locate sources of supply in New York.

As in the past, the first 5 days of the show will be for the trade only and the remaining 4 for the general public. A special lounge will provide space for meetings among the trade.

British tradesmen will get to see a repeat performance from ANUGA of the Hall of States exhibits; these will be featured at the London Trade Center's annual fall show (Oct. 12-20). The show will be for the trade only, giving the U.S. representatives every opportunity to do business with British importers, wholesalers, and retail tradesmen. Helping draw the trade will be an extensive advertising and public relations program.

European consumers and tradespeople will be able to see and buy U.S. foods in three other food shows this fall: The First International Food Fair, Dublin, Ireland (Sept. 7-16), the Yorkshire Food Fair, Leeds, England (Sept. 20-30), and the National Fair of Food, Wine, and Gastronomy, Dijon, France (Nov. 4-12).

All of these fairs will follow the same format, with three feature attractions: A new products area (initiated this spring at the Ideal Home Exhibition in Edinburgh, Scotland) with on-the-spot selling of products new to the individual markets; exhibits by FAS trade cooperators; and exhibits by importers of U.S. foods.

For the Dublin fair some 50 U.S. food manufacturers have signed up to promote 150 new products. Also to be on hand are 8 importers with hundreds of U.S. food items and 3

cooperator groups—Pacific Northwest Pea Growers and Dealers Association, Inc., the Rice Council for Market Development, and the California Raisin Advisory Board.

USDA's first appearance at the Leeds Fair will spotlight about 90 different products from nearly 30 companies, plus those represented by the National Peanut Council, the U.K. Lard Association, the Rice Council for Market Development, and the California Raisin Advisory Board.

About 80 new products will be shown at the Dijon show in addition to the displays of 13 food importers, the Florida Citrus Commission, the Michigan Bean Shippers Association, and the Pacific Northwest Pea Growers and Dealers Association, Inc.

Running simultaneously with all of these fairs will be promotions of U.S. food products in major grocery chains.

Cattle take the limelight

Italy's dairy trade will be the select group at a more specialized fair on the agenda this fall: The 22d International Fair of Dairy Cattle in Cremona, Italy (Sept 10-18). On show and for sale at this largest dairy fair in Europe will be 45 U.S. Holstein cattle—17 bulls and 28 heifers.

Some 30 U.S. cattle breeders will be assisting in the promotion, along with officials of the Holstein-Friesian Association, which is cooperating with FAS in putting on the U.S. show. Also on hand will be a representative of the U.S. Feed Grains Council to show how U.S. feed concentrates can help Italian dairy cows.

Hopes are that the fair will help boost even further U.S. cattle sales to Italy, which last year became our second largest market for dairy cattle.

Decline in Meat Imports Subject to Quota

U.S. meat imports subject to provisions of the Meat Import Act (P.L. 88-482) totaled 69.6 million pounds in June 1967, down 31 percent from the same period a year earlier. Total imports for the first 6 months of 1967 are now just equal to those of a year earlier.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW (P.L. 88-482)

Imports	June	Jan.-June
	<i>Million pounds</i>	<i>Million pounds</i>
1967:		
Subject to Meat Import Law ¹	69.6	377.6
Total beef and veal ²	76.0	409.7
Total red meat ³	109.5	602.1
1966:		
Subject to Meat Import Law ¹	100.2	376.7
Total beef and veal ²	102.2	391.8
Total red meat ³	140.4	602.4
1965:		
Subject to Meat Import Law ¹	41.9	257.9
Total beef and veal ²	53.7	296.6
Total red meat ³	79.0	438.2

¹Fresh, chilled, and frozen beef, veal, mutton, and goat meat.
²All forms, including canned and preserved. ³Total beef, veal, pork, lamb, mutton, and goat.

U.K. Lard Imports Increase During May

Imports of lard into the United Kingdom during May were up substantially over the previous month, bringing U.K. imports 2 percent higher through May compared with the first 5 months of a year earlier. The largest increase in British imports came from the United States, where supplies are in abundance.

U.K. LARD IMPORTS BY COUNTRY OF ORIGIN

Country of origin	January-May			
	1966		1967	
	Quantity	Percent of total	Quantity	Percent of total
	<i>1,000 pounds</i>	<i>Percent</i>	<i>1,000 pounds</i>	<i>Percent</i>
United States	43,759	26.9	54,717	33.1
Belgium	36,070	22.2	45,666	27.6
Romania	9,080	5.6	14,829	9.0
Poland	12,907	7.9	13,288	8.0
Denmark	12,023	7.4	10,351	6.3
Netherlands	9,828	6.0	9,010	5.4
Germany, West	5,309	3.3	7,510	4.5
France	10,395	6.4	7,241	4.4
Sweden	2,359	1.5	1,417	.9
Italy	11,755	7.2	709	.4
Switzerland	2,889	1.8	352	.2
Canada	1,525	.9	224	.1
Bulgaria	3,434	2.1	56	.....
Others	1,390	.8	141	.1
Total	162,723	100.0	165,511	100.0

Henry A. Lane & Co., Ltd.

It now appears that the United States is making progress in reestablishing its position as the leading supplier of lard to the U.K. market. During January-May this year shipments of lard from the United States totaled 54.7 million pounds, which was 25 percent greater than for the first 5 months of a year earlier. During this period the United States provided 33 percent of total receipts compared with 27 percent in January through May of last year.

There have also been increased imports from Belgium this year. During the first 5 months Belgium shipped nearly 45.7 million pounds of lard to the United Kingdom, 27 percent above shipments of a year earlier. More lard was also shipped from Romania and West Germany—up 63 and 41 percent, respectively.

U.S. Cotton Exports Continue High

U.S. exports of cotton during August-June of the 1966-67 season were 4,441,000 running bales, 59 percent above the 2,800,000 bales exported during the same period of the previous year.

Exports in June totaled 299,000 bales, compared with 416,000 in May, and 176,000 in June 1966.

U.S. COTTON EXPORTS BY DESTINATION
 [Running bales]

Destination	Year beginning August 1				
	Average		Aug.-June		
	1960-64	1964	1965	1965	1966
	<i>1,000 bales</i>	<i>1,000 bales</i>	<i>1,000 bales</i>	<i>1,000 bales</i>	<i>1,000 bales</i>
Austria	23	11	3	2	4
Belgium-Lux	121	80	43	41	51
Denmark	14	6	7	7	7
Finland	17	11	8	8	15
France	319	184	108	103	159
Germany, West	269	217	92	90	156
Italy	345	260	102	101	253
Netherlands	110	65	38	37	30
Norway	13	13	10	10	10
Poland & Danzig	125	66	42	42	77
Portugal	21	22	6	6	1
Spain	74	28	10	10	1
Sweden	81	58	59	58	70
Switzerland	74	66	35	35	78
United Kingdom	244	153	131	127	145
Yugoslavia	112	109	169	123	138
Other Europe	17	11	12	11	10
Total Europe	1,979	1,360	875	811	1,205
Australia	61	60	33	32	14
Bolivia	7	5	4	7	9
Canada	353	390	269	259	279
Chile	18	1	3	3	3
Colombia	3	1	57	56	1
Congo (Kinshasa)	6	29	25	23	8
Ethiopia	9	4	20	18	7
Hong Kong	148	150	94	90	179
India	314	243	63	61	265
Indonesia	40	47	(1)	(1)	161
Israel	15	23	5	5	2
Jamaica	4	5	5	5	5
Japan	1,192	990	705	697	1,250
Korea, Rep. of	261	261	301	296	335
Morocco	12	12	12	12	13
Pakistan	14	9	6	6	3
Philippines	123	75	93	88	129
South Africa	41	43	27	27	37
Taiwan	209	203	178	169	349
Thailand	34	55	55	52	64
Tunisia	2	6	13	13	14
Uruguay	6	0	(1)	(1)	0
Venezuela	8	6	5	5	1
Vietnam, South ²	46	63	73	47	65
Other countries	19	19	21	18	43
Total	4,924	4,060	2,942	2,800	4,441

¹Less than 500 bales. ²Indochina prior to 1958; includes Laos and Cambodia.

Prices of Canned Fruits and Juices in Hamburg

Importers' selling prices, duty and tax paid, in Hamburg, Germany, for lots of 50-100 boxes are shown in the table below:

Type and quality	Size of can	Price per dozen units			Origin
		July 1966	April 1967	July 1967	
CANNED FRUIT		U.S. dol.	U.S. dol.	U.S. dol.	
Apricots, halves: Choice	2½	3.30	3.30	3.30	S. Africa
Quality not specified	2½	4.80	5.04	4.95	U.S.
Fruit cocktail:					
Choice, heavy syrup	2½	5.31	5.37	5.34	U.S.
Do ¹	2½	4.05	.....	3.63	Australia
Choice, light syrup ..	2½	4.98	4.74	4.89	U.S.
Do	2½	.....	4.47	4.65	Australia
Fruit salad, five fruits:					
Quality not specified	2½	4.71	4.47	4.47	Spain
Do	2½	.....	8.60	8.61	U.S.
Peaches, halves:					
Choice, heavy syrup	2½	3.72	3.81	3.93	U.S.
Do	2½	.....	.....	3.72	Australia
Do	2½	.....	.....	3.66	S. Africa
Light syrup	2½	.....	3.57	3.72	Argentina
Pears, halves:					
Fancy in syrup	2½	.....	4.74	4.65	Japan
Choice, light syrup ..	2½	.....	3.57	3.63	Australia
Quality not specified	2½	4.56	3.90	4.05	Italy
Do	2½	.....	3.45	3.60	S. Africa
Do	2½	4.26	3.75	3.81	Argentina
Pineapple:					
Whole slices:					
Choice, 8 slices	2½	5.01	4.11	4.56	U.S.
Choice, no sugar ..	2	4.05	4.02	4.02	U.S.
Choice	2½	.....	3.92	4.36	Philippines
Quality not specified	2½	3.60	3.51	3.51	Taiwan
Do	2½	3.54	3.45	3.42	Ivory Coast
Do	2½	3.60	3.39	3.30	S. Africa
Pieces and halves:					
Extra heavy syrup	2½	4.35	4.38	4.35	Philippines
Quality not specified	2½	3.09	2.88	2.85	Philippines
Do	2½	3.15	2.88	2.91	Taiwan
Do	2	2.00	2.04	2.13	Ivory Coast
Crushed:					
Fancy	2½	4.38	4.35	4.35	U.S.
Fancy	10	12.24	12.12	12.12	U.S.
Quality not specified	10	.....	8.85	8.43	Ivory Coast
Do	10	.....	12.06	12.06	Philippines
CANNED JUICES					
Grapefruit,					
unsweetened	43 oz.	4.42	3.87	3.99	Israel
Do	2	1.93	1.77	1.62	Israel
Do	2	2.19	2.25	1.80	U.S.
Do	2	.....	1.89	1.62	Greece
Do	2	.....	1.54	1.62	China
Orange,					
unsweetened	2	1.70	1.68	1.65	Greece
Do	2	.....	1.56	1.62	China
Do	46 oz.	.....	.....	3.78	U.S.

¹Two fruits (pieces of peaches and pears).

London's Canned Fruit and Juice Prices

Selling prices in London (landed, duty paid) of selected canned fruits are given in the following table:

Type and quality	Size of can	Price per dozen units			Origin	
		July 1966	April 1967	July 1967		
CANNED FRUIT						
Apricots:		<i>U.S.</i>	<i>U.S.</i>	<i>U.S.</i>		
Whole, un- peeled, choice	303	<i>dol.</i> 2.40	<i>dol.</i> 2.52	<i>dol.</i> 2.52	U.S.	
Halves:						
Fancy	2½	3.20	3.22	3.22	S. Africa	
Choice	2½	4.04	4.43	4.43	U.S.	
Do	2½	3.45	3.36	3.36	Australia	
Do	2½	3.10	3.01	3.01	S. Africa	
	# 1-					
Do	15 oz.	1.84	1.86	1.86	S. Africa	
Standard	2½	3.54	3.66	3.66	U.S.	
Fruit salad:						
Choice	303	2.56	2.62	2.62	U.S.	
Do	8 oz.	1.48	1.58	1.58	U.S.	
Do	2½	4.15	3.92	3.92	Australia	
Fruit cocktail:						
Choice	15 oz.	2.10	1.96	2.17	Spain	
Grapefruit sections:						
Quality not specified	20 oz.	2.70	2.73	2.45	Israel	
Do	20 oz.	2.66	2.66	2.80	Br. W. Indies	
Do	15 oz.	.....	2.20	2.17	Br. W. Indies	
Peaches:						
Clingstone halves:						
Fancy	2½	3.38	3.22	3.22	S. Africa	
Do	2½	3.55	3.40	3.40	Australia	
Choice	2½	3.55	3.50	3.50	U.S.	
Do	2½	3.27	3.08	3.08	S. Africa	
Do	2½	3.45	3.26	3.26	Australia	
Standard	2½	.....	3.08	3.08	U.S.	
Pears:						
Fancy	2½	3.55	3.43	3.43	S. Africa	
Do	2½	3.66	3.64	3.64	Australia	
Choice	2½	.....	4.46	4.46	U.S.	
Do	2½	3.59	3.36	3.36	Australia	
Pineapple:						
Slices:						
Fancy	2½	3.91	3.69	3.69	U.S.	
Do	2	2.94	2.80	2.80	U.S.	
Do	16 oz.	.....	1.96	(1)	S. Africa	
Choice	2½	3.64	3.13	3.13	U.S.	
Do	2	2.73	2.23	2.23	U.S.	
Do	2½	3.22	3.22	(1)	Taiwan	
Spiral:						
Choice	20 oz.	1.92	1.78	(1)	Malaysia	
Do	16 oz.	1.72	1.61	(1)	Malaysia	
Round choice	20 oz.	2.28	2.24	(1)	Taiwan	
CANNED JUICE						
Grapefruit,						
unsweetened	19 oz.	1.92	1.92	(1)	Israel	
Do	43 oz.	4.16	4.34	(1)	Israel	
Orange,						
unsweetened	19 oz.	1.96	2.03	(1)	Israel	
Do	43 oz.	4.44	4.55	(1)	Israel	

¹Quoted only on c.i.f. basis.

West German Hops Crop Forecast

The 1967 German hops crop is forecast at 42 million pounds, and the acreage is estimated at 27,900 acres. This compares with the 1966 crop of 38.5 million pounds grown on 27,216 acres (acreage up 2.5 percent; production up 9 percent). The above forecast was based on continued favorable weather.

A hailstorm on July 22 reportedly caused a crop loss of 1-2 million pounds but in most areas July brought plentiful sunshine, high temperatures, and occasional rain. As a

result the crop, which in June was 2 weeks behind normal, advanced rapidly and harvest is expected to begin only a week late (at the end of August). The warm dry weather of July reportedly reduced the infections from both downy mildew and verticillium wilt as compared to last year's heavy damage.

About 80 percent of the West German crop is now covered by contracts (Hallertau 85-90 percent, Spalt and Tettngang 50 percent). Average contract prices for the 1967 crop are estimated as follows: Hallertau, \$0.91; Spalt, \$1.13; and Tettngang, \$1.25 per pound.

Japan's Imports of Oil-Bearing Materials

Japan imported 878,171 metric tons of soybeans (32.3 mil. bu.) from the United States during January-June 1967, 5.5 percent less than the 929,021 tons imported in the same period last year. Total soybean imports declined 6 percent, falling to 1,070,754 tons, compared with 1,140,416 tons a year ago. The U.S. share of the Japanese soybean market now is 82 percent, up from 81.5 percent in 1966.

Imports of soybean cake and meal showed a marked decline. In the first half of 1967, only 2,099 tons were imported from the United States and 2,110 tons in total, representing a decrease of 68 and 70 percent, respectively.

Safflowerseed imports reached 72,328 tons, up 63 percent or 28,000 tons over last year. Of this year's total, 59,852 tons came from the United States and 12,476 tons from other sources, principally Mexico's record crop.

JAPAN'S IMPORTS OF SOYBEANS, MEAL, AND SAFFLOWERSEED

Commodity and major source	January-June			
	1965	1966	1966	1967
	<i>1,000 metric tons</i>	<i>1,000 metric tons</i>	<i>1,000 metric tons</i>	<i>1,000 metric tons</i>
Soybeans:				
United States	1,464.9	1,722.1	929.0	878.2
Total	1,847.5	2,168.5	1,140.4	1,070.8
Soybean cake and meal:				
United States	41.7	7.0	6.6	2.1
Total	46.3	7.4	7.0	2.1
Safflowerseed:				
United States	112.7	108.6	43.7	59.9
Total	113.4	147.2	44.3	72.3

Japanese Customs Bureau, Ministry of Finance.

U.S. Exports of Soybeans, Edible Oils, Meals

U.S. exports of soybeans totaled 224.2 million bushels during September 1966-June 1967, slightly less than the 227.4 million exported in the same period a year ago. Exports to Spain increased 6 million bushels, and those to Italy, Germany, and the Netherlands edged just over last year's levels.

Soybean oil exports during October-June 1966-67 amounted to 788.6 million pounds—up 120.1 million from last year's. Cottonseed oil exports during the current marketing year totaled 65.4 million pounds, compared with 255.8 million a year ago. Total for the two oils was 854.0 million, down 70.3 million from the previous year.

October-June exports of meal were 2.2 million short tons, compared with 2.4 million in the same 9 months of last year. Exports of soybean meal to Yugoslavia, the Netherlands, and Belgium were substantially higher, but increases were more than offset by a reduction in exports to France, Denmark, the United Kingdom, and Poland.

Exports of cottonseed meal were only 6,500 tons, or 90,000 tons less than last year.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, OILCAKE AND MEAL

Item and destination	Unit	June		Sept.-June		
		1966 ¹	1967 ¹	1965-66 ¹	1966-67 ¹	
SOYBEANS						
Japan	Mil. bu.	5.2	4.4	54.3	50.3	
Netherlands	do.	1.3	2.9	31.2	31.5	
Germany, W.	do.	3.0	2.2	29.2	29.7	
Spain	do.	1.8	2.2	16.3	22.4	
Canada	do.	4.1	2.8	26.9	16.8	
Italy	do.	.3	1.4	15.1	16.6	
Others	do.	3.9	3.6	54.4	56.9	
Total	do.	19.6	19.5	227.4	224.2	
Oil equivalent ..	Mil. lb.	215.1	213.9	2,497.1	2,461.3	
Meal equivalent	1,000 tons	460.3	457.8	5,344.4	5,267.9	
		June		Oct.-June		
		1966 ¹	1967 ¹	1965-66 ¹	1966-67 ¹	
Soybean oil: ²						
India	Mil. lb.	1.5	19.2	17.2	154.9	
Tunisia	do.	3.1	24.9	19.7	96.0	
Pakistan	do.	2.1	26.7	102.6	75.1	
Yugoslavia	do.	.1	44.1	47.5	72.3	
UAR, Egypt	do.	14.8	.7	22.9	50.5	
Burma	do.	0	0	32.3	45.0	
Vietnam, S. ..	do.	1.4	2.4	13.6	22.2	
Greece	do.	0	0	28.1	21.6	
Brazil	do.	2.2	1.4	23.2	20.6	
Others	do.	52.6	23.3	361.4	230.4	
Total	do.	77.8	142.7	668.5	788.6	
Cottonseed oil: ²						
UAR, Egypt	do.	11.1	0	38.8	25.5	
Venezuela	do.	3.5	2.1	26.1	23.9	
Canada	do.	1.8	.6	37.5	6.2	
Others	do.	.6	.3	153.4	9.8	
Total	do.	17.0	3.0	255.8	65.4	
Total soybean & cottonseed oils		do.	94.8	145.7	924.3	854.0
CAKES AND MEALS						
Soybean:						
Germany, W.	1,000 tons	31.2	28.9	382.0	379.7	
France	do.	36.4	29.8	369.6	329.0	
Netherlands ..	do.	35.6	41.9	272.9	318.1	
Canada	do.	16.1	21.0	170.8	174.0	
Belgium	do.	6.4	13.2	131.0	148.2	
Italy	do.	.1	4.1	145.1	143.7	
Yugoslavia	do.	12.3	20.8	77.8	126.2	
Denmark	do.	11.8	16.0	123.2	85.2	
United Kingdom	do.	2.6	12.7	93.3	66.5	
Poland	do.	0	3.3	64.1	39.8	
Others	do.	13.9	15.4	323.5	245.9	
Total	do.	166.4	207.1	2,153.3	2,056.3	
Cottonseed	do.	.1	.1	97.4	6.5	
Linseed	do.	19.2	8.8	79.9	76.9	
Total cakes and meals ³		do.	187.6	221.1	2,363.9	2,160.5

Note: Countries indicated are ranked according to quantities taken in the current marketing year.

¹Preliminary. ²Includes shipments under P.L. 480 as reported by Census. ³Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records.

Record Rapeseed Crop in West Germany

The 1967 rapeseed crop in West Germany is estimated to be 118,000 metric tons, 19 percent higher than last year's and 18 percent above the average of the 6 preceding years. Acreage is up 2.9 percent and yields per acre up 16 percent, according to the preliminary report of the Federal Statistical Office.

Rapeseed oil production is expected to be about 37,000 tons, an increase of 6,000 tons.

WEST GERMANY'S PRODUCTION OF RAPESEED AND OIL

Rapeseed	Unit	1964	1965	1966	Forecast 1967
Area	1,000 acres	124.3	131.7	116.6	121.1
Yield per acre ..	Pounds	1,927.0	1,784.0	1,865.0	2,159.0
Production	1,000 m.t.	108.7	106.5	98.7	118.0
Crushed for oil	1,000 m.t.	95.0	81.9	84.7	100.0
Oil production	1,000 m.t.	35.7	30.3	30.9	37.0

Source: Ministry of Agriculture and Federal Statistical Office.

Hong Kong Imports Less Tobacco in 1966

Hong Kong's imports of unmanufactured tobacco in 1966, at 15.5 million pounds, were down 14 percent from those of 1965. Reduced imports from the United States and Rhodesia more than offset larger purchases from Mainland China and Mozambique.

Imports of U.S. leaf last year totaled some 6.5 million pounds, compared with 8.1 million in 1965. Purchases of Rhodesian tobacco dropped from 7.0 million pounds in 1965 to 6.1 million last year. On the other hand, takings from Mainland China in 1966, at about 1 million pounds, were nearly double those of 1965.

HONG KONG'S TOBACCO IMPORTS

Source	1964	1965	1966
	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>
United States	7,872	8,118	6,540
Rhodesia	5,752	7,036	6,110
Mainland China	1,158	528	1,002
Mozambique	462	235	534
India	1,542	497	295
Canada	153	457	250
Japan	150	822	209
Indonesia	(1)	(1)	112
Others	1,646	406	484
Total	18,735	18,099	15,536

¹If any, included with others.

Hong Kong's Cigarette Trade Drops

Hong Kong's exports of domestic-made cigarettes dropped sharply last year. At 6.2 million pounds, they were down substantially from the 11.2 million in 1965 and the 9.2 million for 1964. The dropoff reflects much smaller shipments to Sabah (formerly North Borneo). Most cigarette exports to Sabah eventually are smuggled into the Philippines.

Imports of cigarettes into Hong Kong in 1966 totaled 6.9 million pounds, compared with 8.1 million in 1965. Purchases of U.S. cigarettes, at 5.4 million pounds, represented 78 percent of total 1966 imports. In 1965, purchases of U.S. cigarettes were 5.9 million pounds, or 74 percent of the total. In both years, most of the remainder was supplied by the United Kingdom.

U.S. Tobacco Imports Larger

U.S. imports of unmanufactured tobacco for consumption totaled 94.3 million pounds during the period January-June 1967, compared with 88.6 million for the first 6 months of 1966.

Cigarette leaf imports (mostly oriental) for January-June 1967 were 75.2 million pounds—up nearly 10 percent from the 68.6 million for January-June 1966. Turkey and Greece, combined, supplied 65.2 million pounds of cigarette leaf this year.

Other major sources of cigarette leaf were Yugoslavia and Lebanon.

Imports of scrap tobacco were down a little this year, totaling 16.3 million pounds, compared with 17.3 million in January-June 1966. Imports from Cuba continued to be recorded as withdrawals from stocks which arrived prior to the embargo of February 1962.

U.S. IMPORTS OF UNMANUFACTURED TOBACCO¹

Kind and origin	January-June	
	1966	1967
	<i>1,000 pounds</i>	<i>1,000 pounds</i>
Cigarette leaf:		
Turkey	41,603	46,692
Greece	18,249	18,545
Yugoslavia	5,485	6,647
Lebanon	1,022	1,105
Rhodesia	1,100	618
Other	1,108	1,558
Total	68,567	75,165
Cigar filler (stemmed and unstemmed):		
Dominican Republic	369	702
Mexico	643	444
Honduras	222	301
Brazil	329	205
Colombia	425	178
Other	443	2750
Total	2,431	2,580
Cigar wrapper, total	154	171
Scrap:		
Philippines	8,079	7,237
Dominican Republic	1,855	1,817
Brazil	1,627	1,413
Colombia	1,877	1,303
Cuba	821	152
Other	3,070	4,383
Total	17,329	16,305
Stems, total	140	84
Grand total	88,621	94,305

¹Includes withdrawals from bond for consumption and releases from customs immediately upon arrival. ²Includes 145,000 pounds of mixed filler and wrapper.

Bureau of the Census.

Canada Exporting Flue-Cured Tobacco

Canadian exports of flue-cured tobacco during the first 4 months of 1967, at 17.2 million pounds, were slightly smaller than the 18.3 million shipped out in January-April 1966. In the first 4 months of this year the United Kingdom purchased 15.9 million pounds (93 percent of the total), at an average price equivalent to US\$1.12 per pound.

El Salvador Buys Mexican Corn

El Salvador's price stabilization agency (IRA) has recently purchased 4,600 tons of white corn from Mexico. IRA has indicated that offers were received from U.S. firms, but prices were not competitive with the Mexican offer. This is the first corn bought by El Salvador from outside the Central American Common Market since early in the 1965-66 season.

The current purchase is expected to alleviate a generally tight supply situation which has resulted in substantially higher corn prices in recent months. By this time a year ago considerable quantities of new-crop corn were coming in from Honduras, but receipts from that source have been smaller this year.

To change your address or stop mailing, tear off this sheet and send to Foreign Agricultural Service, U.S. Dept. of Agriculture, Rm. 5918, Washington, D.C. 20250.

El Salvador has exported sizable quantities of corn from its bumper 1966-67 crop, but the Ministry of Economy has announced that permits will be required for any further exports to avoid shortages.

Iran Plans Corn Production Project

The Iranian Ministry of Agriculture has announced plans for producing corn on 20,500 acres in the Caspian cotton belt. This is the principal part of a project designed to make Iran self-sufficient in feed for livestock.

The project calls for rotation of corn with cotton. Farmers are expected to benefit through improved soil fertility and stable supplies of feed for livestock. Replacing of cotton with corn would also alleviate the problem of spiny boll worm attacks which have been plaguing cotton growers.

The Ministry imported 30 metric tons of U.S. hybrid seed for testing on 2,000 acres this year. Corn in the test areas is reported in excellent condition. Growers hope to double plantings under the test program next year. Plans now call for importing 300 tons of hybrid seed corn from the United States for planting next season.

Second-Quarter U.S. Cocoa Grind Down

U.S. cocoa bean grindings during the second quarter of 1967 amounted to 158.4 million pounds, down 0.6 percent from the corresponding 1966 period.

However, a slightly larger first-quarter grind brought the cumulative 6-month total to 322.2 million pounds, for a gain of 1.1 million pounds over the same 1966 period. The annual U.S. grind amounted to 647.5 million pounds last year, compared with 628.4 million the year before.

Ghana's Cocoa Exports Off, Prices Up

Ghana's 1966 export earnings from cocoa beans and products fell to \$163 million from \$208.3 million in the year before, reflecting smaller volume and sales contracts made while prices were extremely low in 1965.

Cocoa bean shipments totaled 397,874 metric tons, valued at \$144.3 million. This compares with record 1965 exports of 501,893 tons, valued at \$191.1 million. Exports of cocoa products rose slightly, however, totaling \$18.7 million—a gain of \$1.5 million over 1965.

Major areas of distribution for the 1966 cocoa bean exports, with 1965 data in parentheses, were: the EEC

96,958 tons (148,514); Sino-Soviet Bloc 113,850 tons (126,828); United Kingdom 33,409 tons (28,560); and the United States—the largest single recipient—69,600 tons (118,973).

Because of the current higher level of world cocoa bean prices and efforts to stimulate production, the Ghanaian Government has announced a 30-percent increase in cocoa producer prices. Growers will now receive 6.5 new cedis per 60-pound load (U.S. 15.17 cents per lb. in terms of the internal cedi), compared with 5.0 new cedis (11.67 cents) paid previously. The new producer price coincided with the devaluation of the cedi from \$1.40 to \$0.98. It is also hoped that the higher price to farmers will reduce the contraband movement of cocoa to nearby countries.

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